



**BRIEFING: SEPTEMBER 10, 2013, BOARD MEETING AGENDA ITEM #8**

**TO:** Chairman Richard and Board Members  
**FROM:** Thomas Fellenz, Chief Counsel  
**DATE:** September 10, 2013  
**RE:** Exempt Employee Pay Program Designation

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**Background**

This Board appoints an executive director (CEO), exempt from civil service, who shall serve at the pleasure of the authority, to administer the affairs of the authority as directed by the authority. The Board establishes the compensation of the CEO. *Public Utilities Code section 185024*. In June 2012 the Board appointed Jeff Morales as the Authority CEO and established his yearly compensation during his tenure as CEO. (see Resolution #HSRA 12-28).

**Discussion**

With salary having been set by the Board, other provision affecting the compensation of exempt employees have applied to the CEO. For example, the 4.62% reduction was applied July 1, 2012. Effective July 1, 2013, all salaries for exempt positions were increased by three percent (3.0%). (see July 19, 2013 Exempt Pay Program Memorandum from the Department of Human Resources Exempt Program Unit).

**Recommendations**

Staff recommends that the Board consider increasing the salary of the CEO by 3% retroactive to July 1, 2013, which is consistent with the recent salary adjustments to all exempt employees pursuant to the State's Exempt Pay Program, and that future action affecting all exempt employees continue to apply to the CEO.

**Attachments**

- Resolution #HSRA 13-26
- July 19, 2013 Exempt Pay Program Memorandum from the Department of Human Resources
- Resolution #HSRA 12-28